

Message Text

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67

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 /086 W

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R 031707Z AUG 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4214

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMCONSUL EDINBURGH

AMCONSUL BELFAST

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E.O. 11652: N/A

TAGS: PINT, UK

SUBJ: DEBATE ON PUBLIC EXPENDITURES FIZZLES AND SPITTERS,
BUT NO FLARE

REF: (A) LONDON 11935; (B) LONDON 11734

1. SUMMARY: GOVERNMENT WAS SUSTAINED BY 12-VOTE MAJORITY
IN DEBATE IN HOUSE OF COMMONS AUGUST 2 (295-283). CONSER-
VATIVE MOTION (REFTEL A) WAS WORDED IN TERMS OF CUTTING
SALARY OF CHANCELLOR HEALEY BY HALF, BUT LABOR LEFT VOTED
WITH GOVERNMENT, THUS GUARANTEEING GOVERNMENT VICTORY
WITHOUT NECESSITY OF HAULING IN STRETCHER BRIGADE. END
SUMMARY.

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2. THE GOVERNMENT WAS NEVER IN DANGER IN HOUSE OF COMMONS DEBATE ON PUBLIC EXPENDITURE AUGUST 2. GOVERNMENT STRATEGY OF ALLOWING CONSERVATIVES TO UTILIZE SUPPLY DAY AS VEHICLE TO DEBATE PUBLIC EXPENDITURE CUTS PROPOSAL BY CHANCELLOR PAID OFF HANDSOMELY SINCE LABOR LEFT DID NOT, REPEAT NOT, VOTE WITH OPPOSITION.

3. THE DEBATE ITSELF WAS RAGGED AND CONSERVATIVE SPEAKERS WERE WEAK IN ATTACKING GOVERNMENT. SHADOW SPOKESMAN SIR GEOFFREY HOWE ATTEMPTED TO LAY STRESS ON THE INEQUITIES OF REVENUE RAISING PORTION OF CHANCELLOR'S PROPOSAL, AND CRITICIZED BOTH TIMING AND SIZE OF PROPOSED CUTS WHILE ENDORSING THE NEED FOR CUTTING PUBLIC EXPENDITURE.

4. CHANCELLOR HEALEY DESCRIBED HOWE'S SPEECH AS OF "QUITE STUPEFYING TRIVIALITY" EXCEPT WHEN IT WAS "CHEAP AND NASTY". HIS REMARKS STRESSED GOVERNMENT'S VIEW THAT PUBLIC EXPENDITURE CUTS WERE NEEDED. THESE REMARKS GENERALLY WERE AIMED AT LABOR LEFT RATHER THAN OPPOSITION.

5. SPOKESMEN FOR THE TRIBUNE GROUP AND FOR LABOR ANTI-CUT PROPONENTS ATTACKED CUTS IN PUBLIC EXPENDITURES AS CONDUCIVE TO EVEN GREATER UNEMPLOYMENT AND INAPPROPRIATE SOLUTIONS TO BRITAIN'S ECONOMIC PROBLEMS.(TRIBUNITES HAD SUBMITTED AMENDMENT TO CONSERVATIVE MOTION CALLING FOR REDUCTION OF 5 POUNDS IN CHANCELLOR'S SALARY, BUT SPEAKER HAD NOT ACCEPTED AMENDMENT FOR DEBATE. TRIBUNITE POSITION, HOWEVER, WAS CLEAR THROUGHOUT SINCE THEY HAD ANNOUNCED IN ADVANCE THAT THEY WOULD VOTE WITH GOVERNMENT AND OPPOSE CONSERVATIVE INITIATIVE.)

6. OTHER THAN THE ABSENCES OF SERIOUSLY ILL MPS, WE ARE UNABLE AS YET TO IDENTIFY COMPLETELY THOSE MPS ABSENT FROM LAST NIGHT'S VOTE. ACCORDING TO PRESS REPORTS, JIM SILLARS OF SCOTTISH LABOR PARTY ABSTAINED, AND THERE IS ALSO POSSIBILITY THAT HIS SLP COLLEAGUE DID NOT VOTE. UUUC MEMBERS REPORTEDLY ALSO ABSTAINED. WE SUSPECT, HOWEVER, THAT CONSERVATIVES TALLIED NEARLY 100 PERCENT OF THEIR OWN VOTE POTENTIAL AND THAT A NUMBER OF MINORITY PARTY MPS (SNP, LIBERALS AND PLAID CYMRU) WERE NOT PRE-LIMITED OFFICIAL USE

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SENT. (SNP IS ON RECORD AS OPPOSING CUTS IN PUBLIC EXPENDITURES AND PROBABLY COULD NOT SUPPORT CONSERVATIVE MOTION.)

7. AS ANTICIPATED, THE GOVERNMENT HAS CARRIED THROUGH ITS PROPOSALS ON EXPENDITURE CUTS. DISATISFACTION AND FRUSTRATION CONTINUE ON THE LABOR LEFT. WE EXPECT THAT THE DEBATE WILL CONTINUE IN THE FALL CONFERENCE OF THE

LABOR PARTY AND PERHAPS OTHER FORA. WITH THIS VOTE OUT OF
THE WAY, THE REST OF THE WEEK IN PARLIAMENT WILL BE
OCCUPIED WITH MINOR LEGISLATION BEFORE RISING FOR RECESS.

ARMSTRONG

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Message Attributes

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